

SENATE RECORD VOTE ANALYSIS

104th Congress
1st Session

Vote No. 126

April 3, 1995, 12:16 p.m.
Page S-5029 Temp. Record

HEALTH CARE DEDUCTIBILITY FOR THE SELF-EMPLOYED/Cloture

SUBJECT: Conference report to accompany H.R. 831, Health Care Deductibility for the Self-Employed . . . H.R. 831.
Dole motion to close debate.

ACTION: CLOTURE MOTION AGREED TO, 83-0

SYNOPSIS: The conference report to accompany H.R. 831, the Permanent Extension of Deduction for Health Insurance Costs of Self-Employed Individuals, will provide a 25-percent deduction for health insurance expenses of self-employed individuals for the 1994 tax year, and a 30-percent deduction for tax years beginning in 1995 and thereafter. The cost will be fully offset by placing limitations on the Earned Income Tax Credit (EITC) and by barring the Federal Communications Commission (FCC) from issuing tax certificates to people who voluntarily sell broadcast facilities to minority individuals or minority-controlled entities. In total, the conference report will reduce the Federal deficit by almost \$1 billion over 10 years.

On Friday, March 31, 1995, Senator Dole sent to the desk, for himself and others, a motion to close debate on the conference report to accompany H.R. 831.

NOTE: A three-fifths majority (60) vote of the Senate is required to invoke cloture.

Following the vote to invoke cloture, the conference report to accompany H.R. 831 was agreed to by voice vote.

See vote No. 128 for related debate.

Those favoring the motion to invoke cloture contended:

We must act on this conference in a timely manner because the April 17 tax filing deadline is fast approaching. If we do not enact this conference report before the filing deadline, millions of small businessmen, farmers, and others who are self-employed will be required to file amended tax returns in order to take advantage of this provision--a provision that was law for years but that was allowed to expire last December.

This conference report has overwhelming support from Congress and the President. In fact, we doubt any Senator will oppose

(See other side)

YEAS (83)				NAYS (0)		NOT VOTING (17)	
Republican (42 or 100%)		Democrats (41 or 100%)		Republicans (0 or 0%)	Democrats (0 or 0%)	Republicans (12)	Democrats (5)
Abraham	Hatch	Akaka	Hollings			Campbell ⁻²	Graham ^{-3AY}
Ashcroft	Helms	Baucus	Inouye			Cochran ⁻²	Heflin ⁻²
Bennett	Jeffords	Biden	Johnston			Gramm ⁻²	Leahy ^{-2AY}
Bond	Kempthorne	Bingaman	Kennedy			Hatfield ^{-2AY}	Levin ⁻²
Brown	Lugar	Boxer	Kerrey			Hutchison ⁻²	Nunn ⁻²
Burns	Mack	Bradley	Kerry			Inhofe ⁻²	
Chafee	McCain	Breaux	Kohl			Kassebaum ⁻²	
Coats	McConnell	Bryan	Lautenberg			Kyl ⁻²	
Cohen	Murkowski	Bumpers	Lieberman			Lott ⁻²	
Coverdell	Packwood	Byrd	Mikulski			Nickles ⁻²	
Craig	Pressler	Conrad	Moseley-Braun			Roth ⁻²	
D'Amato	Santorum	Daschle	Moynihan			Smith ⁻²	
DeWine	Shelby	Dodd	Murray				
Dole	Simpson	Dorgan	Pell				
Domenici	Snowe	Exon	Pryor				
Faircloth	Specter	Feingold	Reid				
Frist	Stevens	Feinstein	Robb				
Gorton	Thomas	Ford	Rockefeller				
Grams	Thompson	Glenn	Sarbanes				
Grassley	Thurmond	Harkin	Simon				
Gregg	Warner		Wellstone				

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

it. Unfortunately though, the Senator from Massachusetts will not allow the Senate to move forward. He is willing to delay consideration of this conference report, which helps the middle-class, in order to try to coerce the Senate into taking up his sense of the Senate resolution. His resolution states that Congress should amend the tax code to stop Americans from renouncing their citizenship as a means of avoiding the payment of taxes. The Senate-passed version of this bill contained a provision that would have stopped such tax avoidance, but it was stripped out in conference due to valid concerns that were raised by our House colleagues.

In all candor, the Senate acted in undue haste in passing it. That we Senators acted in ignorance is shown by the widely varying estimates that were made of the increased tax collection that would result. Those estimates ranged from \$1.4 billion to \$3.6 billion per year. We did not even know how many people it would have affected. The Treasury Department first concluded that between a dozen and two dozen individuals would be affected by closing this loophole, but has since recanted. Other problems also existed. The Senate's provision would have applied to all citizens of a certain income level who renounced their citizenship. However, many people become citizens of other countries for reasons that have nothing to do with tax avoidance purposes. For instance, if a spouse were an immigrant, and both husband and wife decided to live in the spouse's country of origin, both would have been subject to the tax. Another problem was the possibility of double taxation; yet another problem was that many experts thought it might violate international law; yet another problem was that it would only have applied to citizens but not resident aliens who made fortunes here and then left. Clearly the Senate acted in haste when it proposed closing this tax loophole; hearings should have first been held. We have given the Senator from Massachusetts our word that we will hold those needed hearings; the closing of this loophole is by no means a dead idea just because it is not in this conference report.

Our word, though, is not good enough for the Senator. He feels that he should receive special treatment with regard to consideration of his resolution. Well, this Senate will not be blackmailed. If the Senator and like-minded colleagues feel so strongly about this tax loophole provision that they are willing to filibuster this bill, and thus deny middle-class Americans the needed and just tax relief that it contains, that is their prerogative. The harm that will be caused will be due entirely to their own petulance, and they alone will have to accept the blame.

We urge our colleagues to drop their filibuster. The Senate has plenty of time to consider expatriation to avoid taxes, but it has only a couple of days to pass this bill before the tax-filing deadline. For the sake of the family farmers and small businessmen who are anxiously awaiting enactment of H.R. 831, we urge our colleagues to invoke cloture on this conference report.

While favoring the motion to invoke cloture, some Senators expressed the following reservations:

We strongly support this conference report and do not intend to filibuster it. This legislation is essential for millions of farmers and other small business people who struggle day in and day out. It will give them the relief to which they are entitled. However, we are outraged that it does not include the tax provision passed by the Senate regarding wealthy individuals who renounce their U.S. citizenship. This provision would have made rich people who relinquished their citizenship pay taxes on all their personal property as though they had sold that property at fair market value immediately prior to expatriating. Net gain on the deemed sale would have been taxable only to the extent it exceeded \$600,000 for individuals and \$1.2 million for married individuals filing joint returns, if both expatriated. This provision was accepted in the Finance Committee and adopted as part of the final bill that passed the Senate. In conference, though, the Senate receded to the House demand that it be dropped.

We have spent the past few days debating cuts in funding for children's programs, educational programs, and other programs that help poor and average Americans. The argument is whether the Senate should vote to rescind \$1.4 billion from such programs as part of this bill. It appears that a majority of Members are willing to support these rescissions, but that they are unwilling to penalize millionaires who renounce their citizenship for purposes of tax avoidance. Allowing these wealthy individuals to renounce their citizenship and leave the country costs the Federal Government anywhere from \$1.4 billion to \$3.6 billion a year. We are not talking about a lot of people; on average, only 12 people a year expatriate to avoid paying taxes. We think something is seriously wrong with this Senate when it is willing to cut the funding for millions of families by \$1.4 billion, yet it is unwilling to eliminate a tax loophole for the wealthiest of American citizens. We have decided not to delay the passage of this needed conference report, but we hope that Congress will act soon and close this unjust tax loophole for the rich.